



COUNTY OF LOS ANGELES CHILD SUPPORT ADVISORY BOARD

Los Angeles County
Board of Supervisors

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2006

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Fourth District

Jean F. Cohen
Maria Tortorelli, Esq.

Fifth District

Reginald Brass
Susan Speir, Vice Chair

CHILD SUPPORT ADVISORY BOARD MINUTES

October 27, 2005

Present

1st District, Jane Preece, Esq.
3rd District, Lucy T. Eisenberg, Esq.
3rd District, Janice Kamenir-Reznick, Esq.
4th District, Jean Cohen
5th District, Reginald Brass
5th District, Susan Speir

Absent

1st District, George Gliaudys, Jr., Esq.
2nd District, Paula Leftwich
2nd District, John Murrell
4th District, Maria Tortorelli

GOVERNMENT MEMBERS

Chief Information Office

Jon W. Fullinwider

Department of

Children and Family Services

David B. Sanders

Department of

Public Social Services

Bryce Yokomizo

Child Support Services

Department

Philip Browning

Los Angeles Superior Court

David Jetton

Chief Information Office,
James Hall for Jon Fullinwider
Child Support Services,
Phillip Browning, Director
Department of Public Social Services,
Rosie Ruiz for Margaret Quinn
CA Department of Child Support Services,
Annette Siler and Cheryl Stewart
(teleconference)

Children and Family Services,
Patti Griffin
Franchise Tax Board,
Debbie Strong
Superior Court, David Jetton

EX OFFICIO MEMBERS

California Department of

Child Support Services

Mary Lawrence

Franchise Tax Board

Guests

Lori Cruz, Deputy Director

Lisa Garrett, Special Assistant

Staff

Lee Millen, Board of Supervisors

CALL TO ORDER

Chair Eisenberg called the meeting to order as a Committee of the Whole at 9:37 a.m. in Room 372 conference room; a quorum was identified and the meeting was called to order at 10:10 a.m.

APPROVE MINUTES OF SEPTEMBER 22, 2005

This item was deferred temporarily;

On motion of Member Browning, seconded by Member Kamenir-Reznik and unanimously carried, the minutes of September 22, 2005 were approved as submitted.

BOARD CHAIR'S REPORT

Chairperson Eisenberg reported that an inquiry posed by Vice Chair Speir regarding health insurance cards for CPs was forwarded to DCSS, and after a significant period of time, Annette Siler responded in writing on October 25, 2005, that the DCSS has advised the Department of Insurance on the requirement to inform the insurance companies of their obligation to provide insurance documentation to the CP; DCSS is working with the Department of Managed Care to provide notice to the HMOs regarding the similar requirement. Ms. Siler will notify each LCSA regarding this requirement.

DIRECTOR'S REPORT TO INCLUDE: Overview regarding Development of Goals for 2005/2006; Automation update; SDU update; and National Commissioner's Award for Collaboration

Phillip Browning, Director, CSSD, reported the following:

- LA County pays for itself by the collections recovered from NCP welfare recipients; for every CSSD expenditure the federal government reimburses 66% and the state reimburses 34%; the federal government provides a \$450 million incentive that states compete for if they pass the data reliability audit at a 95% level of confidence; for every dollar collected that was paid out in public welfare to a mother, the CSSD keeps a portion of that; last year CSSD collected \$500 million of which \$360 million went to mothers/kids, \$68 million was collected as the federal share of welfare, about \$63 million went to the state, and CSSD kept about \$7 million; welfare money collected is considered matchable which means that those monies can be used to match federal funds at the 66% rate; the budget for the entire CSSD program is about \$180 million, \$40 million is for the automation project (which comes out of a separate pot), and about \$140 million is for salaries; and of the \$63 million collected for the state, the state can match this and get \$2 for every \$1 collected, which means that all the expenses for CSSD can be covered;
- In LA County the arrears have built up to about \$5 billion due to high orders established and interest owed; based on the current law an NCP will virtually never pay off their debt.
- Direct Deposit was implemented last year and has about 5,000 participants now; it is anticipated to be a valuable service to customers in the future;
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- Every time a child support order is generated a lien is placed on the NCP's house; now an automated lien is generated and currently over \$2 million has been collected;

In response to Chairperson Eisenberg, Annette Siler, DCSS, reported that the Child Support Handbook contains information on the automated lien process and is available in the CSSD offices. In response to Vice Chair Speir, Lori Cruz, Deputy Director, will verify whether the Handbook is or should be served with the S&C.

- The Town Hall was held last week which was attended by about 300 staff including Chairperson Eisenberg and Member Brass, where an update on progress/performance was presented;
- An Employer Forum is scheduled on November 16, 2005 to inform employers about how to comply with child support rules and requirements; over 1,000 employers have been trained to date, and this training is important in that 65% of collections come via employers; and
- Recent legislation proposed that has passed the House Budget Sub-Committee would reduce the amount of federal match for child support and impact programs in foster care and child welfare; the Board of Supervisors will be asked to provide a five-signature letter opposing this bill; an existing Board of Supervisors' policy decision allows the lobbyists in D.C. to begin working on this bill; billions of dollars that have been available to the states would not exist for the next five years.

Following discussion, on motion of Member Kamenir-Reznik, seconded by Vice Chair Speir and duly carried (Member Preece abstained), Chairperson Eisenberg will draft a letter opposing the proposed federal bill that would cut child support funding; the draft will be e-mailed to members for their review.

DCSS REPORT

Annette Siler, Regional Administrator, DCSS, reported:

- In the Budget Allocation Study, DCSS has entered into a contract with the Urban Institute, and Elaine Sorenson is the lead contractor; the first deliverables are to provide the DCSS with an analysis comparing the original AB 1752 Budget Report and Los Angeles County's Minority Report, and an analysis of administrative funding by other states; a draft analysis is due in mid November 2005; the 2nd part of the contract is to provide the DCSS with options and methodologies for consideration of new allocation methodologies; the final report is due March 2006;
- Ms. Sorenson is meeting tomorrow with the CSDA, the Finance Committees and CSSD Directors to receive input;
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- The SDU will be delayed one month and will begin in November 2005; the statewide data base was loaded with all county case information; of 2 million cases loaded only 800 cases were not transmitted; the data validation is focusing on these cases to bring them online; as of this week all counties now have access to this statewide data base; DCSS has issued a new policy letter on duplicate case transfers, and all counties have been asked to work those cases prior to statewide allocation due in May 2006;
- On November 1, 2005, the first wave of SDU payments will begin in 11 counties; DCSS has contacted every legislative member and district office in those 11 counties to provide information on this implementation and the changes/impacts in the program; next week DCSS staff will be on-site in the 11 counties to assist in the SDU implementation and provide contacts in case trouble shooting is needed; daily conference calls will be had with the counties to share concerns/issues;

In response to Chairperson Eisenberg, Ms. Siler noted that a toll free number can be used by customers who have questions about their payments, a web page with pertinent information is available, and that in most cases referrals will be forwarded to their LCSAs; also, the SDU will have a help desk dedicated to LCSAs and employers; Posters/Flyers and other marketing material has been provided to LCSAs in five languages, and the respective Board of Supervisors have been contacted as part of this outreach effort.

- Since the SDU images every document, customers can call the LCSA staff who can now access a check on-line to identify its history that can help address misidentified payments;

In response to Chair Eisenberg, Member Browning reported that the contract with the Court Trustee to provide the payment processing service will not be needed, and the contract may be cancelled under a 30-day clause or the contract could be modified.

- The DCSS has contacted all the LCSAs to provide performance goals for 2005/06; Los Angeles County's current support goal is 47% and arrears collection goal is 50%; the focus is on performance efforts of the lowest performing LCSAs; utilizing expertise of several state program staff including high performing LCSA peer county staff to establish plans and strategies to help improve lower performing LCSAs;

In response to Vice Chair Speir, Ms. Siler noted that regarding the insurance document compliance by employers, a DCSS contact will be identified by legal staff to answer questions on this matter. Chairperson Eisenberg requested an update next month on this issue.

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- An oversight legislative hearing is scheduled on November 2, 2005 regarding child support arrears.

Cheryl Stewart, Regional Administrator for the Bay Area, DCSS, reported:

- The Arrears Management Roundtable was held on September 16, 2005 in Sacramento and material handed out is available by e-mail; there were three goals: (1) to provide an education forum on California's performance on arrears compared to other states; (2) Research findings on successful arrears management strategies used by other states; and (3) Lay the foundation for DCSS to initiate discussion to improve arrears management in the future; participants included representatives of the federal government, the CA state legislature, judicial stakeholders, the Governors administration, LCSAs (there were over 120 attendees);
- There was an emphasis at the Roundtable on how child support arrears are a significant resource that should be used to improve the financial well being of California's children, collection on arrears is a key federal performance measure, and improved performance in this area directly contributes to our ability to obtain federal performance dollars;

In response to Chairperson Eisenberg, Ms. Stewart will e-mail her Ms. Sorenson's Collectability Study.

- The Collectability study focused on California, and since then Ms. Sorenson has completed studies on nine of the largest states. The study found that arrears are highly concentrated in that 11% of the debtors owed nearly half of the arrears, 70% of the arrears was owed by debtors that had no income or income of less than \$10,000; and many of the arrears were as least 2 ½ years old. Some of the factors contributing to arrears in CA are that we assess a high rate of interest (in March 2000, 27% of arrears was unpaid interest), current support orders are set too high for low-income obligors, we charge retroactive child support, and CA had infrequent downward modifications on child support orders. Also, at least 2/3 of arrears in CA are not collectible and the state policies and practices contribute to the problem, according to Ms. Sorenson's findings.

In response to Member Browning on whether the DCSS is taking a position on a revision of LCSAs operating guidelines, Ms. Stewart agreed to report back and noted that the Roundtable discussion/suggestions will be assessed and input will be obtained from Child Support Directors and other stakeholders on its viability.

- The Collectability Study suggests that arrears in California are growing at a faster rate than nationwide because of the formerly alluded factors;

- Texas involves the parties in setting orders and stipulating agreements that the courts would ratify; San Francisco has a pilot project in this area, and DCSS needs to explore the Texas model and identify if these concepts can be implemented in CA administratively, or if law changes are needed, pilot projects, etc.

Member Preece suggested that every defaulting party could be mailed notice of a default prove up hearing date with a request that they show up as a witness. In response to Member Cohen on who would handle bringing parties together, Ms. Stewart noted that in Texas a conference with case workers, CPs and NCPs is scheduled on a voluntary basis. Member Brass concurred that a scheduled court date would motivate an NCP to participate.

- Texas implemented an Employer Initiative to clean up their employer data and improved automation that moved them from 35th nationwide in collections per case from income withholding, to 10th nationwide;
- Other states created more user friendly materials, monitored new orders to prevent problems from arising early on, and looked at older orders to ensure that arrears did not grow too quickly;

Lori Cruz noted that in January 2005, the law changed that prohibited the LCSAs from requesting retroactive support.

- There have been a number of legislative and administrative changes since the Collectability Study came out;
- Much of California's debt is owed to the government and as such laws could be changed to address compromise of arrears, and closing cases allows states to focus on current support and not drain resources on uncollectible cases;
- The DCSS will follow-up on the Roundtable recommendations and work with stakeholders to identify priorities that can make a difference in CA; and

Chairperson Eisenberg inquired whether amounts accumulated in a case under MBSAC could be forgiven. Ms. Stewart noted that Massachusetts is using this concept, and the Roundtable recommends that CA consider concepts/changes from other states; there is no current authority to retroactively modify orders.

Vice Chair Speir noted that NCPs generally find out about orders via a wage assignment received by his employer, notification that his drivers license will be suspended, or a credit report. Often the NCP has not been legally served, but if he contacts the CSSD the department will initiate a downward modification with arrears, rather than a set aside. Ms. Cruz noted that CSSD procedures do not direct CSOs to review for potential set asides when a NCP contacts the office for a modification, and the NCP is given the option to speak with the Family Law Facilitator who does initiate set asides.

Member Browning noted that the new philosophy in CSSD is to revise orders as quickly as possible to obtain an accurate order; staff has reviewed about 400,000 cases and has initiated a downward modification on about 40,000 cases to a more appropriate level; however, a retroactive waiver is not allowed.

- Anticipate that this fall DCSS will identify Roundtable recommendations that could be implemented as short term and/or long term strategies, including those that can be implemented administratively or require new legislation, and any automation changes needed to develop a priority list to help improve in this area.

Member Preece noted that although the prevailing interest rate is high and needs to be changed on arrears, the current arrears guidelines are not set too high.

REVIEW AND DISCUSS PERFORMANCE MEASURES INCLUDING CS 157

This agenda item was deferred.

REVIEW AND DISCUSS WRITTEN PROCEDURES FOR RESPONDING TO NOTICE OF WELFARE FRAUD

This agenda item was deferred.

REPORT ON QAPI'S DATA FOR END OF YEAR FISCAL OUTCOMES REGARDING CSI

Lisa Garrett reported that data for year end 2005 is available; however, Gail Juiliano will report back on a QAPI plan next month.

Chairperson Eisenberg noted that operations such as in Locate, reducing the percent of default, reducing the percent of sub service, looking at centralized intake can be monitored to achieve the overall goals. Ms. Stewart reported that DCSS is working with LCSAs to identify what opportunities exist to improve performance and identify the best operational strategies to attain state goals.

DISCUSSION ON PROVIDING NEW CUSTOMER INFORMATION MATERIALS TO CSAB; DISCUSSION ON MAKING INFORMATION OF FREQUENTLY ASKED QUESTIONS MORE ACCESSIBLE; DISCUSS INCOME AND EXPENSE LETTER; DISCUSS IMPORTANT PLEASE-RESPOND FORM

Chairperson Eisenberg inquired whether the CSAB would deem it appropriate to give input on CSSD's new marketing material, and/or if practitioners on the CSAB should give input as individuals. Following discussion that volunteers could be asked to participate, John Allen, CSSD,

was asked to e-mail the CSAB on whether anyone chooses to volunteer in the review of client materials before they are finalized; volunteers will be provided with the appropriate contact staff to receive input.

In response to Chairperson Eisenberg, Ms. Garrett noted that a team will review and work on improving the CSSD's website information on Frequently Asked Questions (copy on file). Chairperson Eisenberg, Vice Chair Speir, Member Brass and any other volunteer can forward suggestions to Dean DeGruccio, Call Center, on how to improve the website data.

REPORT REGARDING PROPOSED GOALS AND PERFORMANCE MEASURES FOR 2005/2006

Member Browning distributed Department Goals and Department Performance Target for FFY 2005 (copy on file). The CAO's statisticians will review performance data and make recommendations on what other efforts CSSD could implement to improve performance. In response to the distributed handouts Vice Chair Speir noted that the Department did not meet their goals in FFY 2004-2005 for either annual collection on current support, percentage of cases with collections on arrears or total annual collections, and that the goals set for 2005/06 were the same as those for 2004/05.

Chairperson Eisenberg advised that CSAB is interested in hearing about what is being discussed within the CSSD for new performance measures, benchmarks and goals. Ms. Cruz noted that each Division is tasked to develop a plan to key into each of these performance measures. Lisa Garrett noted that Division work on civil contempts, intervention, etc., are actions that are measured. Chairperson Eisenberg advised that CSAB wants to see how operations are being changed in order to make those goals more achievable; Locate could be seen as a goal onto itself, and if 65% of new orders are at zero, then over what period of time does CSSD obtain earnings information and modify those orders, and is there a numerical goal. Member Browning noted that part of the proof is in the QAPI plan and part is in the subset of specific Division activities. Member Kamenir-Reznik suggested that a follow-up report should include why goals were not achieved and what will be done differently now to reach those goals.

Vice Chair Speir noted that the DCSS needs to look at why a high percentage of data coming from the New-Hire Registry and the Federal Case Registry is so inaccurate. Ms. Stewart advised that DCSS is looking at the employer data and its statewide data base for quality assurance. Vice Chair Speir suggested that non-enforcement of required reporting by employers of new-hire data needs to be addressed by DCSS. In response to Member Browning whether the DCSS has implemented a federal option to fine employers \$25 per employee for non-compliance, Ms. Stewart agreed to inquire and report back.

REPORT ON VINCENT LOGAN CASE

Lori Cruz reported that in reference to Mr. Vincent Logan who presented his concerns at the September CSAB meeting, the questions were (1) Why was a credit delinquency report given for Mr. Logan?, and (2) Was the case ever referred for CSI modification?

- Mr. Logan was reported delinquent because at a certain point in the order he had a delinquency, and as of October 2003, the CSSD forwarded a delete request to the three credit reporting agencies and report Mr. Logan as current; however, this request had to be repeated 02/04, 05/04, 06/04, and 04/05 before all the credit agencies reported him as current; and
- A court order was referred for a CSI modification in June 2003 and the order was modified from \$450 to \$393 in June 2003.

Chairperson Eisenberg asked Ms. Cruz to forward Annette Siler a short narrative of the problem for her review and input. Vice Chair Speir noted that the concern is that Mr. Logan received a new delinquent credit report in September 2005; this report will be forwarded to Ms. Cruz for her review.

- There is a current modification on calendar for next Monday, and the case notes indicate that the CSO received a request from SPUNK on August 2005, reviewed the case, determined that a modification might be appropriate, and referred it to the Unit that does modifications.

Vice Chair Speir reported that she e-mailed the Torrance office on July 5, 2005 requesting a modification, and forwarded three subsequent requests; Mr. Logan has a scheduled November 8, 2005 court date.

Ms. Cruz advised that the CSSD has 120 days to work a modification request. Member Preece inquired why this client was not referred to the Family Law Facilitator. Ms. Cruz reported that the CSI will not exist as of December 31, 2005; the court has done away with the administrative process and is requiring CSSD to set these matters on the regular calendar which will add delays to the process.

Chairperson Eisenberg suggested that Vice Chair Speir refer high priority matters to the Family Court Facilitator.

CUSTOMER SERVICE COMMITTEE REPORT

This agenda item was deferred.

ADJOURNMENT

The meeting was adjourned at 12:20 p.m.